

Billing Code 3410-05-P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1423

RIN 0560-AI18

Clarification of Bales Made Available for Shipment by CCC-Approved Warehouses

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Proposed rule.

SUMMARY: The Commodity Credit Corporation (CCC) proposes to amend the regulations that specify the requirements for CCC-approved warehouses storing cotton. The amendment would change the definition of Bales Made Available for Shipment (BMAS). CCC-approved cotton warehouses are currently required to report BMAS, among other data, to CCC every week. This rule would clarify that bales made available, but not picked up by the shipper, can only be reported by the warehouse operator as BMAS for no longer than the first two weeks that such bales have been made available for delivery but have not yet been picked up. The rule would only change how bales not picked up are reported by the warehouse operator to CCC in the weekly; it does not change any warehouse tariffs or fees. This change would improve the quality of reported information about bales available for shipment, benefiting both CCC and the cotton industry.

DATES: We will consider comments we receive by [insert date 60 days after publication in the FEDERAL REGISTER].

ADDRESSES: We invite you to submit comments on this proposed rule. In your comment, please specify RIN 0560-AI18 and include the volume, date, and page number of this issue of the <u>Federal Register</u>. You may submit comments by any of the following methods:

- Federal eRulemaking Portal: Go to http://www.regulations.gov. Follow the online instructions for submitting comments; or
- Mail, Hand Delivery, or Courier Dan Schofer, Cotton Program Manager,
   Commodity Operations Division, Farm Service Agency, USDA, Mail
   Stop 0533, 1400 Independence Ave, SW, Washington, DC 20250-0572.

All written comments will be available for inspection online at www.regulations.gov and at the mail address above during business hours from 8 a.m. to 5 p.m., Monday through Friday, except holidays. A copy of this proposed rule is available through the FSA home page at http://www.fsa.usda.gov/.

FOR FURTHER INFORMATION CONTACT: Dan Schofer, telephone: (202) 720-2121. Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

# SUPPLEMENTARY INFORMATION:

The Commodity Operations Division of the Farm Service Agency (FSA) administers the CCC-approved warehouse program for CCC. This responsibility includes approving and licensing warehouses where commodities that are under various types of CCC loans may be stored. Those approved warehouses are required to comply with CCC regulations, which include reporting information about the stored commodities

to CCC. The specific requirements that approved warehouses must meet are specified in the regulations in 7 CFR 1423 "Commodity Credit Corporation Approved Warehouses" and in the written storage agreements between CCC and the warehouse for each type of commodity.

CCC-approved cotton warehouses are currently required to report BMAS, among other data, to CCC every week. This rule would clarify that bales made available, but not picked up could only be reported as BMAS for no longer than the first two weeks that such bales were made available for shipment. The rule would only change how bales not picked up are counted in the weekly report to CCC; it would not change any warehouse tariffs or fees.

This rule would clarify how BMAS is defined in the regulation in 7 CFR §

1423.11 that apply to CCC-approved cotton warehouses. As specified in this rule, bales made available, but not picked up could not be reported as BMAS for longer than the first two weeks that such bales were made available for shipment. There is no such time limit in the existing regulations or in the existing Cotton Storage Agreement between CCC and approved warehouses. This rule would clarify how BMAS is defined in the regulations; a conforming change would be made to Amendment 2 of CCC's Cotton Storage

Agreement. The storage agreement is the agreement between CCC and the warehouse on the requirements that the warehouse must meet for storing cotton that is under loan to CCC. The standard cotton storage agreement form and the subsequent amendments are available on FSA's website at

http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=was-ca.

There is no expected cost to warehouses or CCC of reporting BMAS as specified in this rule. The rule would only change how bales made available, but not picked up by the shipper are reported by the warehouse operator to CCC in the weekly report; it does not change warehouse tariffs or restocking fees.

This change is intended to make the flow of cotton from U.S. producers and cotton warehouses to shippers, and ultimately to cotton merchants, more efficient based upon more accurately knowing and reporting what cotton is available for shipment.

Availability and consistent supply of cotton are crucial for the U.S. cotton industry in competition with other cotton producing nations, and having accurate information about bales available for shipment contributes to an efficient supply of U.S. cotton.

#### Executive Order 12866

The Office of Management and Budget (OMB) designated this proposed rule as not significant under Executive Order 12866 and, therefore, OMB has not reviewed this rule.

### Clarity of the Regulations

Executive Order 12866, as supplemented by Executive Order 13563, requires each agency to write all rules in plain language. In addition to your substantive comments on this proposed rule, we invite your comments on how to make it easier to understand. For example:

• Are the requirements in the rule clearly stated? Are the scope and intent of the rule clear?

- Does the rule contain technical language or jargon that is not clear?
- Is the material logically organized?
- Would changing the grouping or order of sections or adding headings make the rule easier to understand?
  - Could we improve clarity by adding tables, lists, or diagrams?
- Would more, but shorter, sections be better? Are there specific sections that are too long or confusing?
  - What else could we do to make the rule easier to understand?

# Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601), CCC is certifying that this proposed rule would not have a significant economic effect on a substantial number of small entities. New provisions in this rule would not impact a substantial number of small entities to a greater extent than large entities. Therefore, CCC certifies that this rule will not have a significant economic impact on a substantial number of small entities.

## **Environmental Review**

The environmental impacts of this proposed rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and FSA regulations for compliance with NEPA (7 CFR part 799). This proposed rule would only change how bales not picked up are counted in the weekly

report to CCC and does not change the structure or goals of the program and can be considered simply administrative in nature. Therefore, FSA has determined that NEPA does not apply to this proposed rule and no environmental assessment or environmental impact statement will be prepared.

### Executive Order 12372

This proposed rule is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs, which requires intergovernmental consultation with State and local officials. This proposed rule does not address a program; it proposes to revise the rule that regulates warehouses as they are involved in CCC programs. See the notice related to 7 CFR part 3015, subpart V, published in the <u>Federal Register</u> on June 24, 1983 (48 FR 29115).

#### Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This proposed rule is not retroactive and would not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this proposed rule. Before any judicial action may be brought regarding provisions of this proposed rule, the administrative appeal provisions of 7 CFR parts 11 and 780 must be exhausted.

## Executive Order 13132

The policies contained in this proposed rule would not have any substantial direct effect on States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government.

Nor would this proposed rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

### Executive Order 13175

This proposed rule has been reviewed for compliance with Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments." Executive Order 13175 imposes requirements on the development of regulatory policies that have Tribal implications or preempt Tribal laws. The USDA Office of Tribal Relations has concluded that the policies contained in this rule do not have Tribal implications that preempt Tribal law. FSA continues to consult with Tribal officials to have a meaningful consultation and collaboration on the development and strengthening of FSA regulations.

#### **Unfunded Mandates**

Title II of the Unfunded Mandate Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State, local, or tribal governments or the private sector. Agencies generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of \$100 million or more in any 1 year for State, local, or tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates as defined by Title II of UMRA for State, local, or tribal governments

or for the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act of 1996, (Public Law 104-121, SBREFA). Therefore, CCC is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review.

# Paperwork Reduction Act

The cotton information covered in this proposed rule is the weekly reporting of BMAS by cotton warehouses. BMAS is reported through the Electronic Warehouse Receipt (EWR) system, to which FSA has access. EWR is operated by a private company and generally contains information that is exempt from the Paperwork Reduction Act (44 U.S.C. Chapter 35) because it is usual and customary business information. The proposed change in the regulation would not change the burden associated with reporting BMAS, which is required to be reported weekly. The only thing that would change is which bales are required to be included in the calculation of the total BMAS for that week. EWR is approved under OMB control number 0560-0120.

E-Government Act Compliance

CCC is committed to complying with the E-Government Act, to promote the use

of the Internet and other Information technologies to provide increased opportunities for

citizen access to Government Information and services, and for other purposes.

List of Subjects in 7 CFR Part 1423

Agricultural commodities, Honey, Oilseeds, Reporting and recordkeeping

requirements, Surety bonds, Warehouses.

For the reasons discussed above, CCC proposes to amend 7 CFR part 1423 as

follows:

PART 1423 – COMMODITY CREDIT CORPORATION APPROVED WAREHOUSES

1. The authority for part 1423 continues to read as follows:

Authority: 15 U.S.C. 714b and 714c.

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2. Revise § 1423.11 (b)(1)(ii) to read as follows:

§ 1423.11 Delivery and shipping standards for cotton warehouses.

\* \* \* \* \*

- (b) \* \* \*
- (1) \* \* \*
- (ii) Were scheduled and ready for delivery in a previous week, but were not picked up by the shipper and remain available for immediate loading and another shipping date has not been established, or such bales are not subject to a restocking fee as provided in the warehouse operator's public tariff. Bales that have been available for delivery but not picked up may be counted as BMAS for no longer than the first two weeks that such bales have been made available for delivery but not yet picked up by the shipper.

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Signed on August 12, 2013\_

Juan M. Garcia
Administrator,
Farm Service Agency, and
Executive Vice President,
Commodity Credit Corporation.

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